

INVESTMENT STRATEGY

Investing in a Volatile Market

Dramatic moves in the financial markets can make retirement savers uneasy—especially if those savings are needed sooner rather than later. But while this fluctuation can be uncomfortable, it is not uncommon.

Despite the ongoing market volatility, U.S. economic growth has been steady for several years, and most economists believe our economy will remain so.

So what should a retirement saver do when he or she is stuck on an investing roller coaster?

STAY THE COURSE

Having a consistent, long-term, disciplined strategy for managing a diversified account is important—as is staying true to that strategy in *up* and *down* markets. Investing with a long-term view allows you to avoid making hasty decisions when responding to short-term situations.

History has shown numerous examples of what appeared to be “bad times” but proved to be the best times to invest. The strongest five-year return in the history of the U.S. stock market—367%—began in 1932, during the Great Depression. Returns of more than 200% were also seen in the five-year periods beginning in 1982 and 2009, following deep recessions, according to Fidelity Investments. While past performance is no guarantee of future returns, historically it has paid to remain invested during troubled financial times.

DON'T CHASE PERFORMANCE

No one—not even the most skilled financial experts—can consistently predict the performance of the U.S. and world stock markets. Financial professionals

continued



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continued

agree that people who attempt to “time the market”—moving money in and out of investments based on beliefs about future performance—almost always miss their targets and end up with worse performance over the long term.

The average annual market return of companies on the S&P 500 Index from 1995-2014 was 9.9%. Investors who tried to time the market and ended up missing the best 10 days of that period would have averaged an annual return of only 6.1%.

Conversely, “dollar cost averaging” involves investing fixed amounts of money at regular intervals over a long period. And it works! This type of steady investing—which many people engage in with their retirement plans—allows you to pay average share prices over time.

Receive an account review at NO COST through the General Board from EY and LifeStage.

REVIEW YOUR STRATEGY AND INVESTMENTS

Even when you keep your money invested, you may benefit from a review of your investing strategy. If you haven't checked your risk tolerance or target allocation, or rebalanced your account lately, your retirement investments could benefit from some attention.

For example, if you are in your 20s with no debt and few responsibilities, a conservatively invested account may not be appropriate for you. Or, if you are

retiring next year, you may need to consider whether you are invested too aggressively. You can receive an account review at **no cost** through the General Board, including:

- one-on-one assistance with investment decisions from EY Financial Planning Services and
- account management services with the LifeStage Investment Management Service.*

Don't let stress about market gyrations cause you to make bad decisions about your investments. Take advantage of the General Board's no cost services to stay on top of your investments for the long-term.

To learn more about the General Board investment funds, view the *Investment Funds Description* at www.gbophb.org/assets/1/7/3052.pdf. The document—updated in April 2016—details the investment strategy, historical returns, objectives and more.



EY Financial Planning Services—

offers one-on-one, personalized, professional guidance to help you evaluate your financial situation and address retirement-related and other concerns. EY financial planners have special training in topics important to participants, including General Board-administered plans and programs, and the clergy housing allowance. Call EY directly at **1-800-360-2539**, Monday through Friday from 8:00 a.m. to 7:00 p.m., Central time.

LifeStage Investment Management Service (LifeStage)—

is a managed account program that helps you invest your General Board-administered retirement accounts sensibly and effortlessly. LifeStage does all the work—determining your target fund allocation and rebalancing your allocations when appropriate.

Learn more today at www.gbophb.org/retirement/services/ey/ and www.gbophb.org/retirement/services/lifestage.

*Costs for these services are included in the General Board's operating expenses, paid for by the funds.

EY Financial Wellness Assessment

EY is known for the personalized, professional guidance provided to General Board participants—but that’s not all they offer!

EY focuses on your financial wellness—your overall financial health. Specifically, EY helps you manage your day-to-day finances and your financial plans for the future. “Financial wellness” is an important goal for participants—and is considered by the General Board’s Center for Health to be one of the five dimensions of health that are vital for overall well-being.

The EY Financial Wellness Assessment—a five-minute check-up that can help you understand and address your financial concerns.

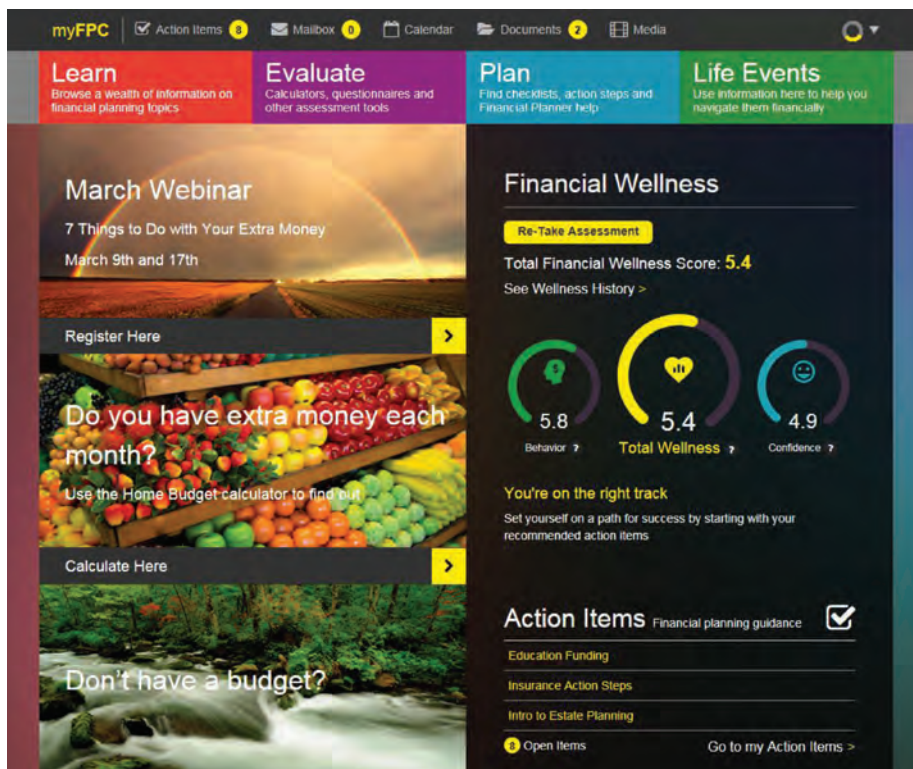
The EY website offers financial information and tools to help you evaluate your financial wellness and make decisions for now and for the future. We introduced the new EY Financial Wellness Assessment in the last *Hark*; it is a five-minute check-up that can help you understand and begin to address your financial concerns.

The assessment asks questions about your financial behaviors (e.g., whether you pay bills late) and attitudes toward your finances. At the end, you receive a score and recommendations for actions you can take to improve your financial wellness on a personalized dashboard.

Once you complete the assessment, discuss your score and your recommendations with an EY financial planner. Appointments can be scheduled directly through the dashboard under **Plan**.

EY financial planners are available for guidance at no cost by phone at **1-800-360-2539** or via the Web chat feature on the site.*

*Costs for these services are included in the General Board’s operating expenses, paid for by the funds.



TRY IT NOW

The new website requires unique usernames and passwords to help ensure the security of your information. Registration is quick and easy:

- 1 | Retrieve your Employee ID/ participant number
 - a. Log in to www.benefitsaccess.org and select **My Benefits**
 - > **Personal Profile**
 - > **Personal Information**
 - b. or call us at **1-800-851-2201**
- 2 | Visit <https://gbophb.eyfpc.com>
- 3 | Click “Register now”

Name Changing to Wespath—July 2016

The General Board’s name is changing to “Wespath Benefits and Investments” in July. The name “Wespath” has been used since 2011 to refer to our Investments division.

ONLINE ACCOUNT MANAGEMENT

Benefits Access Adds LifeStage Modeling and More!

Benefits Access is the destination for online participant account management. It was updated recently.

We've added a tool that helps participants determine whether or not to elect the LifeStage Investment Management Service and provides the ability for retirees to take loans against their account balances. (Active employees have had access to loan modeling since 2012.)

More than 70% of participants use the LifeStage Investment Management Service.

LIFESTAGE MODELING INFORMS INVESTMENT DECISIONS

More than 70% of participants use the LifeStage Investment Management Service to manage their retirement investments. Previously, participants who were considering enrolling in LifeStage would only learn their LifeStage target allocations *after* beginning the service. Participants can now "model" how their account would be invested if it were managed

by LifeStage and discuss these target allocations with a financial planner, helping to determine whether LifeStage is appropriate.

LOANS MAY HELP RETIREES AVOID TAXABLE EVENTS

Retirees also benefit from the Benefits Access update—they now have the ability to take loans from their retirement accounts. Retirees are eligible for distributions, but taking a loan instead may be a better option for some.

When a retiree needs cash for a serious short-term need—such as an unexpected medical expense—a loan can be a quick, low-cost way to access the retirement account balance. Loans are not taxable, unless repayment rules are violated, and they do not impact your credit rating. Loans are easily repaid directly from your bank account.

By contrast, if you take a distribution from your retirement account, at or after retirement, you may owe taxes on the amount withdrawn, plus, your retirement

account will be permanently reduced by this amount. If you have a traditional before-tax savings account, your distribution may be fully taxable at ordinary income tax rates. Taking a loan may be a better option for your retirement.

BENEFITS ACCESS TOOLS

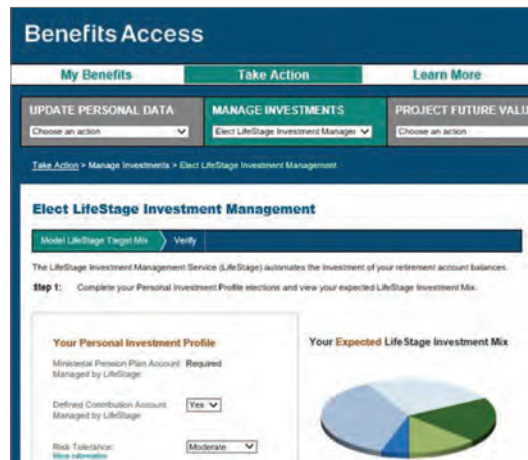
The LifeStage Investment Management Service modeling tool and retiree loan modeling adds to other Benefits Access offerings, including:

- Account Information
- Projection Tools
 - Retirement Readiness Tool
 - Retirement Benefits Projection
 - LifeStage Retirement Income Calculator
- Financial Education
- Account Management

If you have not visited the Benefits Access website, try it today.

Registering is quick, easy and secure. Just go to www.benefitsaccess.org, click "New User Registration" and follow the prompts.

Learn more about Benefits Access at www.gbophb.org/retirement/services/benefits-access/.



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a division of the General Board of Pension and Health Benefits of The United Methodist Church



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For a Lifetime in Ministry

**Brighten Your Future...
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Join us!

**November 7-9, 2016
B Resort & Spa
Lake Buena Vista, FL**

**An energizing event
for young clergy ages 25-39**

Visit the [revitup! Facebook page](#) often
to stay up-to-date about the event!



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Make waves— register now!

Rev up your financial knowledge,
work/life balance and leadership skills.
Connect with other young clergy
at this year's event.

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For a Lifetime in Ministry



Visit www.gbophb.org/events/revitup!